



Insolvency Act 1986

1986 CHAPTER 45

PART IV

WINDING UP OF COMPANIES REGISTERED UNDER THE COMPANIES ACTS

CHAPTER VII

LIQUIDATORS

Removal; vacation of office

171 Removal, etc. (voluntary winding up).

- (1) This section applies with respect to the removal from office and vacation of office of the liquidator of a company which is being wound up voluntarily.
- (2) Subject to the next subsection, the liquidator may be removed from office only by an order of the court or—
 - (a) in the case of a members' voluntary winding up, by a general meeting of the company summoned specially for that purpose, or
 - (b) in the case of a creditors' voluntary winding up, by a [^{F1}decision of the company's creditors made by a qualifying decision procedure instigated] specially for that purpose in accordance with the rules.
- [^{F2}(3) Where the liquidator in a members' voluntary winding up was appointed by the court under section 108, a meeting such as is mentioned in subsection (2)(a) shall be summoned only if—
 - (a) the liquidator thinks fit,
 - (b) the court so directs, or
 - (c) the meeting is requested in accordance with the rules by members representing not less than one-half of the total voting rights of all the members having at the date of the request a right to vote at the meeting.

Status: Point in time view as at 06/04/2017.

Changes to legislation: Insolvency Act 1986, Cross Heading: Removal; vacation of office is up to date with all changes known to be in force on or before 08 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (3A) Where the liquidator in a creditors' voluntary winding up was appointed by the court under section 108, a qualifying decision procedure such as is mentioned in subsection (2)(b) is to be instigated only if—
- (a) the liquidator thinks fit,
 - (b) the court so directs, or
 - (c) it is requested in accordance with the rules by not less than one-half in value of the company's creditors.]
- (4) A liquidator shall vacate office if he ceases to be a person who is qualified to act as an insolvency practitioner in relation to the company.
- (5) A liquidator may, in the prescribed circumstances, resign his office by giving notice of his resignation to the registrar of companies.
- [^{F3}(6) In the case of a members' voluntary winding up where the liquidator has produced an account of the winding up under section 94 (final account), the liquidator vacates office as soon as the liquidator has complied with section 94(3) (requirement to send final account to registrar).
- (7) In the case of a creditors' voluntary winding up where the liquidator has produced an account of the winding up under section 106 (final account), the liquidator vacates office as soon as the liquidator has complied with section 106(3) (requirement to send final account etc. to registrar).]

Textual Amendments

- F1** Words in s. 171(2)(b) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 42\(2\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F2** S. 171(3)(3A) substituted for s. 171(3) (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 42\(3\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)
- F3** S. 171(6)(7) substituted for s. 171(6) (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 42\(4\)](#); S.I. 2015/1329, reg. 3(d); S.I. 2016/1020, reg. 4(e) (with reg. 5) (as amended by S.I. 2017/363, reg. 3)

Modifications etc. (not altering text)

- C1** S. 171 applied (with modifications) (S.) (6.4.2001) by [S.S.I. 2001/128, reg. 4\(1\), Sch. 2](#)
- C2** S. 171 modified (S.) (6.4.2001) by [S.S.I. 2001/128, reg. 4\(2\), Sch. 3](#)
- C3** S. 171(5)(6) amended (1.7.1999) by [1998 c. 46, s. 125, Sch. 8 para. 23\(4\)-\(5\)](#) (with s. 126(3)-(11)); S.I. 1998/3178, arts. 2, 3 (as amended (28.6.2016) by [The Building Societies \(Floating Charges and Other Provisions\) Order 2016 \(S.I. 2016/679\)](#), arts. 1(1), 6)

172 Removal, etc. (winding up by the court).

- (1) This section applies with respect to the removal from office and vacation of office of the liquidator of a company which is being wound up by the court, or of a provisional liquidator.

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- (2) Subject as follows, the liquidator may be removed from office only by an order of the court or by a [^{F4}decision of the company's creditors made by a qualifying decision procedure instigated] specially for that purpose in accordance with the rules; and a provisional liquidator may be removed from office only by an order of the court.
- (3) Where—
- (a) the official receiver is liquidator otherwise than in succession under section 136(3) to a person who held office as a result of a nomination by ^{F5}... the company's creditors or contributories, or
- (b) the liquidator was appointed by the court otherwise than under section 139(4) (a) or 140(1), or was appointed by the Secretary of State,
- [^{F6}a qualifying decision procedure such as is mentioned in subsection (2) shall be instigated only if the liquidator thinks fit, the court so directs, or it] is requested, in accordance with the rules, by not less than one-quarter, in value, of the creditors.
- (4) If appointed by the Secretary of State, the liquidator may be removed from office by a direction of the Secretary of State.
- (5) A liquidator or provisional liquidator, not being the official receiver, shall vacate office if he ceases to be a person who is qualified to act as an insolvency practitioner in relation to the company.
- (6) A liquidator may, in the prescribed circumstances, resign his office by giving notice of his resignation to the court.
- (7) Where an order is made under section 204 (early dissolution in Scotland) for the dissolution of the company, the liquidator shall vacate office when the dissolution of the company takes effect in accordance with that section.
- [^{F7}(8) Where the liquidator has produced an account of the winding up under section 146 (final account), the liquidator vacates office as soon as the liquidator has complied with section 146(4) (requirement to send account etc. to registrar and to court).]

Textual Amendments

- F4** Words in s. 172(2) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force, 6.4.2019 for S. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 43\(2\)](#); S.I. 2015/1329, [reg. 3\(d\)](#); S.I. 2016/1020, [reg. 4\(e\)](#) (with [reg. 5](#)) (as amended by S.I. 2017/363, [reg. 3](#)); S.I. 2019/816, [reg. 4\(e\)](#) (with [reg. 5](#))
- F5** Words in s. 172(3)(a) omitted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force, 6.4.2019 for S. in so far as not already in force) by virtue of [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 43\(3\)\(a\)](#); S.I. 2015/1329, [reg. 3\(d\)](#); S.I. 2016/1020, [reg. 4\(e\)](#) (with [reg. 5](#)) (as amended by S.I. 2017/363, [reg. 3](#)); S.I. 2019/816, [reg. 4\(e\)](#) (with [reg. 5](#))
- F6** Words in s. 172(3) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force, 6.4.2019 for S. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 43\(3\)\(b\)](#); S.I. 2015/1329, [reg. 3\(d\)](#); S.I. 2016/1020, [reg. 4\(e\)](#) (with [reg. 5](#)) (as amended by S.I. 2017/363, [reg. 3](#)); S.I. 2019/816, [reg. 4\(c\)](#) (with [reg. 5](#))
- F7** S. 172(8) substituted (26.5.2015 for specified purposes, 6.4.2017 for E.W. in so far as not already in force, 6.4.2019 for S. in so far as not already in force) by [Small Business, Enterprise and Employment Act 2015 \(c. 26\), s. 164\(1\), Sch. 9 para. 43\(4\)](#); S.I. 2015/1329, [reg. 3\(d\)](#); S.I. 2016/1020, [reg. 4\(e\)](#) (with [reg. 5](#)) (as amended by S.I. 2017/363, [reg. 3](#)); S.I. 2019/816, [reg. 4\(c\)](#) (with [reg. 5](#))

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Modifications etc. (not altering text)

- C4** S. 172 applied (with modifications) (1.12.1994) by S.I. 1994/2421, art. 8(3)(9), **Sch. 4 Pt. II para. 21**
S. 172 applied (with modifications) (S.) (6.4.2001) by S.S.I. 2001/128, reg. 4(1), **Sch. 2**
- C5** S. 172 applied (with modifications) (17.2.2009 for certain purposes, otherwise 21.2.2009) by **Banking Act 2009 (c. 1), ss. 103, 263(1)(2)** (with s. 247); S.I. 2009/296, **arts. 2, 3**, Sch. para. 2
- C6** S. 172 applied (with modifications) (6.6.2013) by **The Collective Investment in Transferable Securities (Contractual Scheme) Regulations 2013 (S.I. 2013/1388)**, Pt. 3reg. 1, Sch. 2 paras. 3, **5** Table (with reg. 24)
- C7** S. 172(8) amended (1.12.2001) by S.I. 2001/1228, **arts. 1(2)(c)(3)**, 32(1); S.I. 2001/3538, **art. 2(1)**

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